



# Hon. Robert T. Matsui

## Member of Congress

[www.house.gov/matsui/](http://www.house.gov/matsui/)

*Robert T. Matsui*  
Serving California's 5th District

FOR IMMEDIATE RELEASE  
Thursday, April 22, 2004

CONTACT: ELIZABETH LIETZ  
(202) 225-7163/(202) 225-0564

### **MATSUI URGES HOUSE LEADERSHIP TO EXTEND R&D TAX CREDIT**

*Joined by Reps. Johnson and Cardin, manufacturers to unveil study on benefits of credit*

WASHINGTON, D.C. – Congressman Robert T. Matsui today urged House Leadership to pass an extension of the research and development (R&D) tax credit before it expires on June 30. He was joined by Representatives Nancy Johnson (R-CT) and Ben Cardin (D-MD) and manufacturers at a press conference where they revealed the findings of a study on the use and benefits of the R&D tax credit.

“More than 75% of research and development funding is spent on wages, making the credit essentially a ‘jobs credit’,” Matsui said. “By extending the credit, U.S. companies and manufacturers will continue their investment in R&D and create jobs for American workers. This is especially important given the loss of 2.8 million manufacturing jobs since 2001. I urge the House Leadership to consider how critical this credit is to U.S. businesses and job growth, and to pass an extension quickly.”

According to the study, done by Ernst and Young for the R&D Credit Coalition, California accounts for almost one quarter of the total amount of money spent on R&D in the country. Matsui joined forty-two other members of the California congressional delegation in sending a letter to House Leaders earlier this month, stating the benefits of the R&D tax credit to California (*letter attached*).

“California leads the nation in research and development, making the tax credit a vital component of economic growth in the state,” Matsui said.

Nationwide, approximately 16,000 companies in all 50 states use the tax credit to further innovation each year. While 69% of the credit is used by the manufacturing industry, a wide range of industries – from the information and services sector to agriculture and mining – and firms of all sizes benefit from the tax credit. The study also showed the credit greatly benefits small businesses.

Matsui and Johnson have sponsored H.R. 463, to improve and permanently extend the R&D tax. The bill has the bipartisan support of 83 cosponsors.

###